

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

W-02465A
Bella Vista Water Company, Inc.
12725 W. Indian School Rd Suite D 101
Avondale, AZ 85392

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 06	07
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PROCESSED BY:

4-16-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Bella Vista Water Company, Inc.

Mailing Address 12725 W. Indian School Rd. Suite D 101
(Street)

Avondale Arizona 85392
(City) (State) (Zip)

(623) 935-9367 (623) 935-1020
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 4055 Campus Drive
(Street)

Sierra Vista Arizona 85635
(City) (State) (Zip)

(520) 458-5470 (502) 459-6680
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Greg Sorensen V.P.
(Name) (Title)

12725 W. Indian School Rd Suite D101 Avondale AZ 85392
(Street) (City) (State) (Zip)

(623) 298-3753 (623) 935-1020
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Bob Dodds President
(Name)

12725 W. Indian School Rd. Suite D101 Avondale Arizona 85392
(Street) (City) (State) (Zip)

(623) 935-9367 (623) 935-1020
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: CT Corporation System
(Name)

3225 N. Central Avenue Phoenix Arizona 85012
(Street) (City) (State) (Zip)

(602) 277-4792
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Bill Sullivan @ Curtis, Goodwin, Sullivan, & Schwab, P.L.C.
(Name)

2712 N. 7th Street Phoenix Arizona 85006
(Street) (City) (State) (Zip)

(602) 393-1700 ext 6381 (602) 393-1703
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME**BELLA VISTA WATER CO., INC.****UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	327,399		327,399
304	Structures and Improvements	928,337	355,525	572,813
307	Wells and Springs	1,132,979	489,395	643,583
311	Pumping Equipment	2,312,586	1,912,976	399,610
320	Water Treatment Equipment	71,776	36,452	35,323
330	Distribution Reservoirs and Standpipes	1,464,433	752,471	711,962
331	Transmission and Distribution Mains	11,492,652	3,789,769	7,702,883
333	Services	1,309,166	796,025	513,141
334	Meters and Meter Installations	1,402,306	1,520,389	(118,082)
335	Hydrants	831,137	259,794	571,343
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	26,351	448	25,903
340	Office Furniture and Equipment	349,319	230,133	119,186
341	Transportation Equipment	287,800	242,921	44,879
343	Tools, Shop and Garage Equipment	124,467	123,069	1,398
344	Laboratory Equipment			
345	Power Operated Equipment	36,567		36,567
346	Communication Equipment	263,721	79,276	184,445
347	Miscellaneous Equipment	106,366	97,764	8,602
348	Other Tangible Plant			
	TOTALS	22,467,362	10,686,406	11,780,956

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME**BELLA VISTA WATER CO., INC.****CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	327,399		0
304	Structures and Improvements	928,337	2.5%	22,437
307	Wells and Springs	1,132,979	2.7%	29,255
311	Pumping Equipment	2,312,586	10%	38,017
320	Water Treatment Equipment	71,776	10%	4,546
330	Distribution Reservoirs and Standpipes	1,464,433	2.5%	36,611
331	Transmission and Distribution Mains	11,492,652	2%	229,984
333	Services	1,309,166	2%	25,882
334	Meters and Meter Installations	1,402,306	10%	265,098
335	Hydrants	831,137	2%	15,380
336	Backflow Prevention Devices			0
339	Other Plant and Misc. Equipment	26,351		448
340	Office Furniture and Equipment	349,319	6.67%	16,496
341	Transportation Equipment	287,800	14.29%	12,323
343	Tools, Shop and Garage Equipment	124,467	11.76%	14
344	Laboratory Equipment			0
345	Power Operated Equipment	36,567		0
346	Communication Equipment	263,721	10%	22,432
347	Miscellaneous Equipment	106,366	6.25%	6,648
348	Other Tangible Plant			0
	Less: CIAC Amortization			(232,312)
	TOTALS	22,467,362		493,259

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

Half-year convention used on asset additions.

COMPANY NAME
BELLA VISTA WATER CO., INC.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 99,034	\$ 82,476
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	274,222	300,263
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	37,042	27,772
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 410,297	\$ 410,511
	FIXED ASSETS		
101	Utility Plant in Service	\$ 21,971,846	\$ 22,467,362
103	Property Held for Future Use		
105	Construction Work in Progress	351,197	439,637
108	Accumulated Depreciation - Utility Plant	9,960,835	10,686,406
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 12,362,208	\$ 12,220,594
	TOTAL ASSETS	\$ 12,772,505	\$ 12,631,104

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME**BELLA VISTA WATER CO., INC.****BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 32,839	\$ 12,702
232	Notes Payable (Current Portion)	98,645	104,163
234	Notes/Accounts Payable to Associated Companies	11,810	(304,624)
235	Customer Deposits	174,510	176,735
236	Accrued Taxes	384,956	464,374
237	Accrued Interest	18,481	14,551
241	Miscellaneous Current and Accrued Liabilities	45,248	191,807
	TOTAL CURRENT LIABILITIES	\$ 766,487	\$ 659,707
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 1,987,678	\$ 1,982,159
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	6,140,034	6,180,906
255	Accumulated Deferred Investment Tax Credits	15,775	122,872
271	Contributions in Aid of Construction	503,145	503,945
272	Less: Amortization of Contributions	213,015	233,688
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 6,445,939	\$ 6,574,035
	TOTAL LIABILITIES	\$ 9,200,104	\$ 9,215,902
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,520,080	\$ 1,520,080
211	Paid in Capital in Excess of Par Value	377,948	377,948
215	Retained Earnings	1,674,373	1,517,175
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 3,572,401	\$ 3,415,203
	TOTAL LIABILITIES AND CAPITAL	\$ 12,772,505	\$ 12,631,104

COMPANY NAME**BELLA VISTA WATER CO., INC.****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 3,419,491	\$ 3,412,150
460	Unmetered Water Revenue		
474	Other Water Revenues	140,808	128,914
	TOTAL REVENUES	\$ 3,560,299	\$ 3,541,064
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		653
615	Purchased Power	467,688	522,429
618	Chemicals	3,790	5,405
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services	978,561	1,088,058
635	Water Testing	19,995	72,513
641	Rents	63,860	69,937
650	Transportation Expenses	53,396	51,639
657	Insurance - General Liability	52,349	54,118
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case	1,733	
675	Miscellaneous Expense	184,946	125,776
403	Depreciation Expense	456,383	493,259
408	Taxes Other Than Income		
408.11	Property Taxes	163,855	188,355
409	Income Tax	334,268	254,258
	TOTAL OPERATING EXPENSES	\$ 2,780,826	\$ 2,926,400
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	130,601	121,105
	TOTAL OTHER INCOME/EXP	\$ (130,601)	\$ (121,105)
	NET INCOME/(LOSS)	\$ 648,872	\$ 493,559

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	06/11/1990	05/17/1993	10/15/1995	07/24/1994
Source of Loan	Note PLR K-Mart	Note PLR BVR/RC-3	Note PLR BVR/RC-4	Note PLR BVR CCCII
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$64,500	\$54,801	\$49,589	\$21,063
Amount Outstanding	\$17,006	\$21,568	\$22,508	\$9,718
Date of Maturity	01/15/2010	01/15/2013	01/15/2016	01/15/2014
Interest Rate	8.56 %	7.30%	6.91%	7.16%
Current Year Interest	\$1,641	\$1,884	\$1,911	\$822
Current Year Principle	\$4,800	\$3,833	\$2,705	\$1,205

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #5	LOAN #6	LOAN #7	LOAN #8
Date Issued	Varies	Varies		
Source of Loan	WIFA # 1	WIFA # 2		
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$173,526	\$2,100,000	\$	\$
Amount Outstanding	\$118,984.82	\$1,650,460	\$	\$
Date of Maturity	09/01/2018	06/01/2021		
Interest Rate	6.10 %	6.26%	%	%
Current Year Interest	\$1,787	\$52,727	\$	\$
Current Year Principle	\$7,667	\$78,340	\$	\$

Meter Deposit Balance at Test Year End	<u>\$427,553.55</u>
Meter Deposits Refunded During the Test Year	<u>\$61,923</u>

COMPANY NAME	Bella Vista Water Co., Inc.
Name of System	02010 + 02007 ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*		Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-610120	1	40	240	640	12	4	1956
55-610121	2	50	300	649	12	4	1958
55-610122	3	50	200	605	12	6	1968
55-610123	5	50	300	620	14	4	1972
55-610125	7	100	470	475	16	6	1968
55-610126	8	60	350	645	12	6	1954
55-610127	9	15	65	618	8	3	1954
55-610128	10	15	40	630	10	3	1956
55-610129	11	60	300	696	12	4	1956
55-610130	12	60	200	805	16	4	1972
55-610131	13	75	230	867	16	6	1978
55-610132	14	75	450	600	16	6	1972
55-610133	15	50	300	700	16	4	1972
55-610134	16	50	300	501	12	4	1960
55-518083	18	250	1200	1000	16	10	1987
55-519004	19	125	700	1000	16	8	1987
55-560741	VV1	15	200	400	8	4	1997
55-560742	VV2	15	200	385	8	4	1997
55-610119	STUMP	5	25	250	6	2	1982
55-805652	ASH	5	40	80	8	2	1989
55-536074	RO # 1	1	15	160	8	1	1992
55-553209	WHORSE	7.5	25	608	12	4	1997
55-597128	RO # 2	1.5	20	305	6	2	2003
55-583389	RO # 3	5	25	500	8	1	2001
55-508962	NV16	5	30	215	6	2	1984
55-507217	NV15	5	40	205	6	2	1984
55-642087	NV 3	3	20	243	6	2	1958
55-624091	NV 9	3	12	287	6	1.5	1959
55-200-402	NV17	7.5	17	790	8	2.5	2004
55-641821	NV10	2	17	154	4	1	Unknown

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	6	668	8
25	2		
20	18		
15	10		
10	0		
5	6		
2	6		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	0	5,000	4
400,000	0	6,000	1
200,000	3	5,000	4
400,000	1		
200,000	1	5,000	6
35,000	1		
100,000	1		
1,500,000	2		
200,000	1	5,000	1
17,000	1	1,000	1
7,000	1	5,000	1
100,000	1		
32,000	1	1,000	1
16,000	1	6,600	1
80,000	1	2,000	1
7,000	2	150	4
200,000	1	1,000	2
3,300	1	5,000	2
49,700	1		
17,500	2		
7,900	1		
10,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Bella Vista Water Co., Inc.
Name of System	02010 + 2007 ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	Galvanized	27,000
2	Steel	9,000
3	AC	16,000
4	AC	86,500
6	AC	180,600
8	AC	118,895
10	AC	3,300
12	Steel	600
2	PVC	2,935
3	PVC	175
4	PVC	1,330
6	PVC	5,052
8	PVC	11,810
12	PVC	15,000
4	Ductile	154
6	Ductile	851
8	Ductile	3,189
12	Ductile	1,000

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	7,765
3/4	39
1	151
1 1/2	88
2	261
3	24
4	4
6	1

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Eight Chlorinators – South System

STRUCTURES:

Well # 18 Site building	Fences (around wells & tanks)
Well # 13 Site building	Two small pump sheds
Wall at Apache Booster Station	Well House NV # 10
Wall at Well # 5	
Well # 8 Site Building	
Well # 19 Building	

OTHER:

Four generators

Back hoe, air compressor, trailer, dump truck, water tank

668 hydrants

8 standpipes

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	Bella Vista Water Co., Inc.
Name of System	02010 + 02007 ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	8,036	72,015,916	71,917,550	
FEBRUARY	8,092	72,656,146	71,585,000	
MARCH	8,085	65,048,327	88,449,140	
APRIL	8,099	99,861,100	112,353,220	
MAY	8,012	93,824,307	122,596,525	
JUNE	8,133	125,516,037	128,523,600	
JULY	8,166	122,747,749	113,294,080	
AUGUST	8,180	90,004,362	102,179,750	
SEPTEMBER	8,186	110,278,801	101,330,980	
OCTOBER	8,199	77,994,009	96,747,100	
NOVEMBER	8,165	94,363,879	85,979,140	
DECEMBER	8,501	74,906,834	75,269,000	
TOTALS →		1,099,217,467	1,170,225,085	

What is the level of arsenic for each well on your system? See next page mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

BELLA VISTA WATER CO., INC.
Arsenic results on all wells

SYSTEM NAME	POE#	LAST SAMPLING DATE	RESULTS
SOUTH	PWS#02007		
ASH	1	2/8/2007	<0.0030
STUMP	2	2/8/2007	<0.0030
WILDHORSE	3	2/8/2007	<0.0030
NVW #10	4	2/8/2007	<0.0030
NVW #9	5	2/8/2007	<0.0030
NVW #3	6	2/8/2007	<0.0030
NVW #15/16/17	7	2/8/2007	<0.0030
RAIL OAKS #1/2	8	2/8/2007	<0.0030
RIO GRANDE	9	2/8/2007	<0.0030
CITY	PWS#02010		
BVW #1	1	7/31/2007	<0.002
BVW #2	2	7/31/2007	<0.002
BVW #3	3	7/31/2007	<0.002
BVW #5	5	7/31/2007	<0.002
BVW #7	7	7/31/2007	<0.002
BVW #8	8	7/31/2007	<0.002
BVW #9/10	9	7/31/2007	<0.002
BVW #11	11	7/31/2007	<0.002
BVW #12/13	12	7/31/2007	<0.002
BVW #14	14	7/31/2007	<0.002
BVW #15	15	7/31/2007	<0.002
BVW #16	16	7/31/2007	<0.002
BVW #18	18	7/31/2007	<0.002
BVW #19	19	7/31/2007	<0.002
VISTA VIEW #1/2	20	7/31/2007	<0.002

MCL for Arsenic: 0.050mg/l

Tested every three years unless they have waivers

12A

April 7, 2008

COMPANY NAME Bella Vista Water Co., Inc. YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 188,355

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 16 2008

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Cochise	AZ CORPORATION COMMISSION DIRECTOR OF UTILITIES
NAME (OWNER OR OFFICIAL) TITLE Greg Sorensen, Vice President	
COMPANY NAME Bella Vista Water Co., Inc.	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

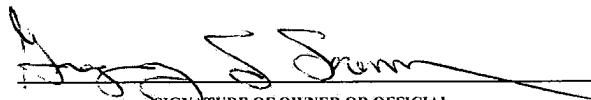
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

623 298 3753

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

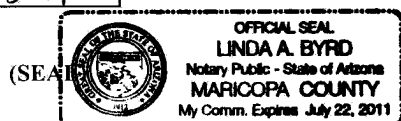
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

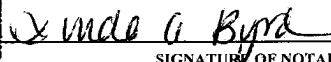
THIS

15th

DAY OF

COUNTY NAME Maricopa	
MONTH April	YEAR 2008





SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES July 22, 2011

COMPANY NAME Bella Vista Water Co., Inc.

YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	Unable to isolate due to Consolidated Return filed
Estimated or Actual Federal Tax Liability	<u>202,150</u>

State Taxable Income Reported	Unable to isolate due to Consolidated Return filed
Estimated or Actual State Tax Liability	<u>52,100</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/15/08
DATE

Gregory S. Sorenson
PRINTED NAME

VP Finance
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 16 2008

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise	AZ CORPORATION COMMISSION
NAME (OWNER OR OFFICIAL) TITLE Greg Sorensen, Vice President	DIRECTOR OF UTILITIES
COMPANY NAME Bella Vista Water Co., Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2007
-------------	-----------	--------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 3,840,525

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 299,461
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
623 298 3753

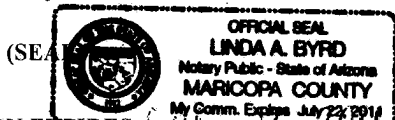
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th **DAY OF**

COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	<u>2008</u>





SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES July 22, 2011

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

APR 16 2008

**AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME)	Cochise		
NAME (OWNER OR OFFICIAL)	Greg Sorensen	TITLE	Vice President
COMPANY NAME	Bella Vista Water Co., Inc.		

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,327,999

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 168,393
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

623 298 3753

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

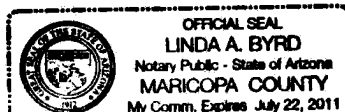
15th

DAY OF

NOTARY PUBLIC NAME	Linda A. Byrd	
COUNTY NAME	Maricopa	
MONTH	April	20# 2008

(SEAL)

MY COMMISSION EXPIRES



July 22, 2011

X 

SIGNATURE OF NOTARY PUBLIC